(f) The performance indicators of banks in public and private sector are as under:-

Item	Public sector banks		Private sector banks	
	2003	2004	2003	2004
Income	128464	137677	30675	33153
Expenditure	98749	98127	24609	24945
Deposits	1079117	1226838	207174	268549
Advances	549344	632740	138949	170899
Investment	545639	625678	107323	134801
Operating Profits	29715	39550	7237	8366
Net Profits	12295	16622	2958	3481

Disbursal of educational loan

1967. SHRI T.T.V. DHINAKARAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Public Sector Banks demand satisfactory third party guarantee and a collateral security of suitable value for disbursing educational loans to students in violation of the assurance given by Government;

(b) whether Government would instruct the banks to stop demanding such securities;

(c) the number of disbursal of educational loans during the last three years, State-wise; and

(d) the number of loan applications rejected on various grounds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In consonance with the Budget announcement for the year 2004-05, Indian Banks' Association (IBA) has issued a revised circular dated August 31, 2004 to all member banks not to ask for any security on loans up to Rs. 4 lakh. For loans above Rs. 4 lakh and upto Rs. 7.5 lakh collateral in the form of a suitable third party guarantee is taken. For loans above Rs. 7.5 lakh collateral security of suitable value or suitable third party guarantee alongwith the assignment

of future income of the student for the payment of instalments is taken. The scheme provides broad guidelines to banks for operationalising the educational loan scheme and the implementing bank will have the discretion to make changes for the convenience of the students/parents to make it more customer friendly. Banks have the discretion to sanction higher amounts of education loan for studies in India and abroad based on their commercial judgement and as approved by their respective Boards. The circular also provides discretion to banks that wish to support highly meritorious/deserving students without security.

(c) and (d) The data generating system of Reserve Bank of India does not provide for details of the State-wise information on education loans disbursed and the number of loan applications rejected. However, the bank-wise details of the number of accounts and amount disbursed by public sector banks under educational loan scheme during the last three years *i.e.* 2002-03, 2003-04 and 2004-05 (upto August, 2004) are indicated in the Statement. [*Refer to the Statement appended to the answer to Unstarred Question* 1928 *Part (b) and (c)*]

Non-refusal of renewal of mediclaim insurance policies

1968. SHRIMATI MOHSINA KIDWAI : Will the Minister of FINANCE be pleased to state:

(a) whether the insurance companies are refusing to renew the mediclaim insurance policies of those policy holders who have fallen sick and have claimed medical expenses from insurance companies;

(b) if so, the legal position in this regard; and

(c) what action Government are taking to check this anomalous practice?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) By and large mediclaim policies are renewed whether or not claims are made under the policies. However, where the claim experience is very adverse, it is likely that insurers may refuse to renew such policies.

(b) Mediclaim policies are normally one year contracts. There are a few products that have a longer term like 3 years or 5 years. Renewal on expiry of a policy is done with the mutual consent of the insurer and the insured. Therefore, as per law, insurers are not bound to renew the policy.